

Attachment A



Universal Service Administrative Company

SCHOOLS AND LIBRARIES DIVISION
CAL / DPL / RIDF
Second Delivery Attempt

Date: **March 11, 2011**

Applicant's Name	Florence County School Dist 3
Contact Person	Oliver Frail
Address	160 East Main St.
	East Main Professional Plaza
City, State Zip	Brevard, NC 28712
FCC Form 471 Application	504103

Important Notice

Enclosed you will find your ***Notification of Commitment Adjustment Letter (CAL)***. The letter was deemed 'un-deliverable' by the U.S. Postal Service and returned to the Schools and Libraries Division's (SLD) Client Operations Department. It is important to note that the date of the original **CAL** has been modified by SLD to accommodate the delivery delay. A new 'Letter Date' has been added to the letter which is enclosed in this mailing.

This advisory is especially important if you are considering filing an appeal. Appeals must be filed within 60 days of the date on the ***Notification of Commitment Adjustment Letter (CAL)***. Please note the new 'Letter Date'. For further information on filing appeals, see the "Appeals Procedure" in the SLD Reference Area of USAC's web site <www.sl.universalservice.org> for more information on appeal deadlines and how to file your appeal.

Sincerely,

Schools and Libraries Division

Toll-Free: **(888) 203-8100**

Fax Toll-Free: **(888) 276-8736**



Universal Service Administrative Company

Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2006: July 1, 2006 - June 30, 2007

March 11, 2011

TOM TRAYWICK

FLORENCE COUNTY SCHOOL DIST 3

POST OFFICE BOX 329

CEDAR MOUNTAIN, NC 28718 0329

Re: Form 471 Application Number:	504103
Funding Year:	2006
Applicant's Form Identifier:	TS-2
Billed Entity Number:	127203
FCC Registration Number:	0011907649
SPIN:	143025700
Service Provider Name:	Conterra Ultra Broadband, LLC
Service Provider Contact Person:	Jodell Craddock

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Jodell Craddock
Conterra Ultra Broadband, LLC

**Funding Commitment Adjustment Report for
Form 471 Application Number: 504103**

Funding Request Number:	1390918
Services Ordered:	TELCOMM SERVICES
SPIN:	143025700
Service Provider Name:	Conterra Ultra Broadband, LLC
Contract Number:	01300401.
Billing Account Number:	
Site Identifier:	127203
Original Funding Commitment:	\$98,856.36
Commitment Adjustment Amount:	\$98,856.36
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$98,856.36
Funds to be Recovered from Applicant:	\$98,856.36

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit it was determined that the price of eligible products and services was not the primary factor in the vendor selection process. This determination was based on the applicants inability to provide the completed Proposal Evaluation Scoring worksheets to support its position that it considered the bids and selected the most cost-effective solution. Without the worksheets and based on discrepancies found by the IAD it was not able to conclude that the most cost effective service offering, considering the evaluation criteria and the weighting, was selected. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since the applicant was unable to produce documentation to demonstrate that price was the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.